

FSC-177-B (Adjusted)	12/5/97
SUBJECT: SALEM CTS Strategy For the New York Metro Region	
DISTRIBUTION:	
<u>X</u> AVP	<u>X</u> KAM
<u>X</u> RSM	<u>X</u> AM
<u>X</u> RBM	<u>X</u> AE
<u>X</u> ROM	<u>X</u> DM
	<u>X</u> RM
	<u>X</u> Sales Rep
	<u>X</u> Retail Rep

Objective: Communicate Salem Response Strategy for CTS outlets on grid.

Rationale: To meet competitive menthol discounting pressures in CTS outlets.

- You are authorized to raise the discount value on Salem up to \$3.00 as needed in CTS outlets on Grid, **when you secure a supplemental carton display**.
- Our objective is to match Newport and/or Kool tactic for tactic on a store-by- store basis.
- When implementing a tactic for tactic strategy, discounting should be based on like brand styles, time periods and quantities.
- It is mandatory to secure a supplemental stand alone display in order to increase discounting from the current \$1.50 EDLP strategy.
- Signage/Price Communication- It is extremely important we have highly visible pricing POS to communicate a special offer price. The discount should be communicated in the same manner as competition (i.e., Save \$, or dead net price).

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